

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Developing a Unified Inter-carrier Compensation)	CC Docket No. 01-92
Regime)	
)	
)	

**COMMENTS OF THE
WYOMING PUBLIC SERVICE COMMISSION
ON AMENDMENTS TO THE MISSOULA PLAN INTERCARRIER COMPENSATION
PROPOSAL TO INCORPORATE A FEDERAL BENCHMARK MECHANISM**

Filed March 19, 2007

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Introduction

On February 16, 2007, the Federal Communications Commission (Commission) issued a Public Notice (Notice) in the above-captioned proceeding seeking comment on certain proposed amendments to the Missoula Plan which address issues faced by many states which, like Wyoming, have already taken steps to rebalance rates and substantially reduce intrastate switched access charges (Early Adopter States). The Notice established a comment date of March 19, 2007, and a reply comment date of April 3, 2007.

Comments

The group of proposed amendments, referred to as the Federal Benchmark Mechanism, were described in a letter filed with the Commission on January 30, 2007¹ (the Amendment). The Wyoming Public Service Commission (Wyoming PSC) has previously filed comments on the Missoula Plan and advised the Commission it does not support the Missoula Plan. However, in the event the Commission were to adopt the Missoula Plan, the Wyoming PSC supports the Amendment and encourages the Commission to adopt it because it addresses some of the most glaring inequities inherent in the Missoula Plan. Adoption of the Federal Benchmark Mechanism would be a positive step addressing the intercarrier compensation issues before the Commission. Wyoming participated actively in the workgroup which developed the Federal Benchmark Mechanism and was among the group of state commissions which signed the Amendment filed with the Commission.

Wyoming is an Early Adopter state which has rebalanced rates, reduced intrastate switched access charges and implemented an explicit subsidy mechanism – the Wyoming

¹ Letter and attachments from the Wyoming PSC, other state commissions and various Missoula Plan Supporters submitting the *Missoula Plan Amendment to Incorporate a Federal Benchmark Mechanism* to Marlene Dortch, Secretary, Federal Communications Commission, CC Docket 01-92, filed January 30, 2007.

Universal Service Fund. In doing so, Wyoming produced cost-based rates which reflect the actual cost of service. The Missoula Plan, as filed with the Commission, unfairly discriminates against Early Adopter States like Wyoming because it penalizes Wyoming rate payers while giving considerable benefits to states which have, to date, avoided such responsible action as the Early Adopter States have taken.

Wyoming and other interested state commissions worked closely with representatives of the telecommunications industry for many months in developing the proposed Amendment. The independently calculated estimates in the Federal Benchmark Mechanism reflect the actual results Wyoming has achieved by implementing cost-based rates for local exchange telephone service and switched access service and by eliminating cross subsidies among telecommunications services. The Federal Benchmark Mechanism appropriately targets its support to states with the highest end user rates. It is a reasonable and supportable solution to the significant issues facing Early Adopter States like Wyoming.

If adopted, the Amendment creates four methods for the Commission to consider in addressing issues which Early Adopter States would otherwise face under the Missoula Plan. The Amendment proposes a comparison of local rates to a “federal benchmark” standard which fairly addresses the Early Adopter State problem in Wyoming where substantial switched access charge reductions were coincident with local rate increases for end users. The Federal Benchmark Mechanism strengthens the “preservation and advancement” of universal service in areas with high local service rates and gives the Commission a way to implement its universal service policy obligations of Section 254 of the federal Telecommunications Act of 1996 that rural high-cost local service rates be “affordable” and “reasonably comparable” to rates in more

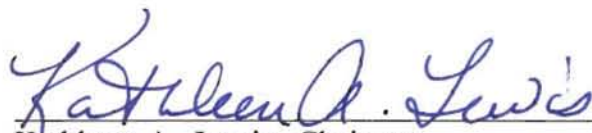
urban areas. It also reduces the penalty otherwise imposed on consumers in high-rate Early Adopter States because it limits funding of revenue recovery in states which have maintained low and generally subsidized local service rates. Finally, the Federal Benchmark Mechanism takes into account the work of states like Wyoming which have a functioning state universal service fund.


Conclusion

The Federal Benchmark Mechanism Amendment to the Missoula Plan provides an appropriate and reasonable way for the Commission to resolve the worst of the many important and timely issues facing Early Adopter States like Wyoming and its telecommunications consumers. The Wyoming PSC supports the Amendment and urges the adoption of the Federal Benchmark Mechanism by the Commission as a necessary part of any final resolution in its proceeding addressing intercarrier compensation issues.

Respectfully submitted,

PUBLIC SERVICE COMMISSION OF WYOMING


Kathleen A. Lewis, Chairman


Steve Oxley, Deputy Chairman


Mary Byrnes, Commissioner